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STATEMENT OF FINANCIAL POSITION

AS OF: September 30, 2005

ASSETS

CURRENT ASSETS

101 Cash (Disclose on Schedule A)	\$49,013,347
102 Current Investments	-
103 Accounts Receivable (net) (Disclose on Schedule A)	\$19,000,627
104 Notes Receivable (current portion)	-
105 Prepaid Expenses	2,178,496
106 Other Current Assets (Disclose on Schedule A)	<u>\$2,669,216</u>
107 Total Current Assets	<u>\$72,861,686</u>

NON-CURRENT ASSETS

108 Land	-
109 Building	-
110 Leasehold Improvements	1,153,000
111 Furniture and Equipment	14,589,269
112 Vehicles	<u>-</u>
113 Total Property and Equipment	\$15,742,269
114 Less: Accumulated Depreciation	<u>8,133,045</u>
115 Net Property and Equipment	<u>\$7,609,224</u>
116 Notes Receivable (net of current portion)	-
117 Performance Bond (Disclose on Schedule A)	-
118 Long Term Investments	-
119 Deposits	577,206
120 Other Noncurrent Assets (Disclose on Schedule A)	<u>\$0</u>
121 Total Noncurrent Assets	<u>\$8,186,430</u>
122 TOTAL ASSETS	<u><u>\$81,048,116</u></u>

LIABILITIES AND NET ASSETS/EQUITY

CURRENT LIABILITIES

201 Incurred But Not Reported Claims (Disclose on Sch. A)	\$7,893,961
202 Reported But Unpaid Claims	1,190,341
203 Payable to ADHS (Disclose on Schedule A)	\$1,743,638
204 Other Amounts Payable to Providers	7,183,788
205 Trade Accounts Payable	4,066,538
206 Accrued Salaries and Benefits	5,350,738
207 Long-term Debt (current portion)	-
208 Deferred Revenue (Disclose on Schedule A)	\$83,367
209 Risk Pool Payable	-
210 Other Current Liabilities (Disclose on Schedule A)	<u>\$12,568,099</u>
211 Total Current Liabilities	<u>\$40,080,471</u>

NON-CURRENT LIABILITIES

212 Long-term debt (net of current portion)	-
213 Loss Contingencies (Disclosed on Schedule A)	\$0
214 Other Noncurrent Liabilities (Disclose on Schedule A)	<u>\$223,624</u>
215 Total Noncurrent Liabilities	<u>\$223,624</u>
216 TOTAL LIABILITIES	<u>\$40,304,095</u>
217 NET ASSETS/EQUITY	
Unrestricted Net Assets	40,744,021
Restricted Net Assets (Disclose on Schedule A)	<u>\$0</u>

218 TOTAL LIABILITIES AND NET ASSETS/EQUITY	<u><u>\$81,048,116</u></u>
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VO
STATEMENT OF FINANCIAL POSITION

AS OF: September 30, 2005
Schedule A Disclosures

ASSETS:

Cash

Unrestricted	48,929,980
Restricted	\$83,367
Total Cash	<u><u>\$49,013,347</u></u>

Accounts Receivable

ADHS

Program ID	Category ID
Current Year	
TXIX Child	886,178
TXIX CMDP	858,232
TXIX SMI	8,036,466
HIFA II SMI	38,228
TXIX GMHSA	775,449
HIFA II GMH	(11,663)
TXIX DD Child	-
TXIX DD Adult	-
TXXI Child	108,359
TXXI Adult	3,069
NTXIX/XXI Child	79,485
NTXIX/XXI SMI	4,349,886
Mental Health	(10,475)
Substance Abuse	1,814,008
Prevention Intervention	515,460
ADHS DOC	404,328
PASRR	12,300
HB2003 Child	-
HB2003 SMI	-
NTXIX/XXI SMI	Community Placement
Select Program	Identify category
Prior Year	
TXIX Child	-
TXIX CMDP	-
TXIX SMI	-
HIFA II SMI	-
TXIX GMHSA	-
HIFA II GMH	-
TXIX DD Child	-
TXIX DD Adult	-
TXXI Child	-
TXXI Adult	-
NTXIX/XXI Child	-
NTXIX/XXI SMI	-
Mental Health	-
Substance Abuse	-
Prevention Intervention	-
ADHS DOC	-
PASRR	-
HB2003 Child	-
HB2003 SMI	-
Select Program	Identify category

Non-ADHS &/or Unrelated Business

Current Year	
Employee receivables	31,372
RxInnovations	638,133
Miscellaneous	177,916
Non-HB2003 provider receivables	60,248
Rehabilitative Services Administration	-
Accrued interest receivable	130,330

LIABILITIES:

IBNR Claims Estimate

Current Year	
FY 06	6,146,779
Prior Year(s)	
FY05	1,747,182
FY04	
Total IBNR	<u><u>\$7,893,961</u></u>

Payable to ADHS (Detail of Line 203)

Program ID	Category ID
Current Year	
Admin & Mgmt Gen	Sanctions
	1,404,526
Prior Year	
TXXI Child	Profit/Risk Corridor
	\$84,419
HIFA II GMH	Profit/Risk Corridor
	\$61,330
HIFA II SMI	Profit/Risk Corridor
	\$60,443
Admin & Mgmt Gen	Sanctions
	\$132,920
Total Payable to ADHS	<u><u>\$1,743,638</u></u>

Deferred Revenue from: (Detail of Line 208)

Program ID	Category ID
ADHS	
Current Year	
NTXIX/XXI Child	\$83,367
Select Program	\$0
Select Program	\$0
Select Program	\$0
Select Program	\$0
Prior Year	
Select Program	\$0
Select Program	\$0
Select Program	Identify Category
Non-ADHS &/or Unrelated Business	
Current Year	
Identify Program	Identify Category
Identify Program	Identify Category
Prior Year	
Identify Program	Identify Category
Total Deferred Revenue	<u><u>\$83,367</u></u>

Other Current Liabilities (Detail of Line 210)

Identify Other Current Liabilities	
Insurance	-
Accrued audit fees	127,820
Casa Buena Payable	54,374
Deferred Lease Liability	623,861
Due to affiliates	4,159,273
Income tax payable to parent	3,324,668
Legal	-
Malpractice Reserve	4,269,609
Miscellaneous	8,494
Total Other Current Liabilities	<u><u>\$12,568,099</u></u>

Case management receivable	12,967	<u>Loss Contingencies (Detail of Line 213)</u>	
Casa Buena	-	Identify Loss Contingencies	
Medicare receivable	69,654		
Lab Receivables	14,379	Total Loss Contingencies	<u>\$0</u>
Prior Year		<u>Other Noncurrent Liabilities (Detail of Line 214)</u>	
Employee receivables	6,318	Deferred lease credit - noncurrent	18,360
RxInnovations	-	Deferred tax - noncurrent	205,264
Miscellaneous	-		
Non-HB2003 provider receivables	-	Total Other Noncurrent Liabilities	<u>\$223,624</u>
Rehabilitative Services Administration	-		
Accrued interest receivable	-		
Case management receivable	-	<u>Restricted Net Assets (Detail of Line 217)</u>	
Medicare receivable	-	Identify Restricted Net Assets	
Lab Receivables	-		
		Total Restricted Net Assets	<u>\$0</u>
Allowance for Doubtful Accounts			
Total Accounts Receivable	<u>19,000,627</u>		
<u>Other Current Assets (Detail of Line 106)</u>			
Deferred tax asset	2,669,216		
Total Other Current Assets	<u>\$2,669,216</u>		
<u>Other Noncurrent Assets (Detail of Line 120)</u>			
Identify Other Non Current Assets			
Total Other Noncurrent Assets	<u>-</u>		
<u>PERFORMANCE BOND:</u>			
Type of Security & Amount - Surety Bond	\$45,167,606		

Adjustments:

Disclose and describe any adjustments made to previously submitted financial statements, including those that affect the current period financial statements.

Payables to ADHS - Other* Category

Disclose items recorded as "Other" in the category for Payable to ADHS Section

Explain ≥10% fluctuation in account from prior period

Describe fluctuation in each account greater than 10%

- 101. Cash - Decreased 16.4% due to decreased cash collections from the ADHS/DBHS
- 103. Accounts receivable, net - Increased 387.9% due to accruing the SFY2005 capitation rates for Maricopa County
- 105. Prepaid expenses - Increased 100.1% due to entering into new lease and insurance arrangements
- 106. Other current assets - Increased 25.8% due to the June 30, 2005 income tax calculation affecting the current deferred tax asset
- 115. Net, property and equipment - Increased 15.5% due to new lease arrangements and site buildouts and improvements
- 119. Deposits - Increased 15.1% due to new site leases
- 202. Reported but unpaid claims - Increased 67.1% due to normal claims processing activities and timings
- 203. Payable to the ADHS - Increased 414.2% due to excess profits in Non-Title XIX Children's program
- 205. Trade accounts payable - Increased 28.1% due to normal trade vendor cycle timing
- 206. Accrued salaries and benefits - Decreased 12.6% due to normal payroll cycle timing.
- 210. Other current liabilities - Increased 56.0% due to the June 30, 2005 income tax calculation and the due to affiliates balance payments timing

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STATEMENT OF CHANGES IN NET ASSETS / EQUITY

AS OF : September 30, 2005

			Net Assets / Retained Earnings	Total
	Initial Capital	Additional Capital		
Beginning Balance: July 1, 2005	36,491,707	-	2,408,314	38,900,021
* Net Surplus / Net Earning for the period ended: September 30, 2005	-	-	1,538,007	1,538,007
Dividends Declared		-	(400,000)	(400,000)
** Prior Period Adjustments	-	706,000	-	706,000
Ending Balance: September 30, 2005				-
	<u>\$ 36,491,707</u>	<u>\$ 706,000</u>	<u>\$ 3,546,321</u>	<u>\$ 40,744,028</u>

* Net of dividends declared

** Disclosure of Prior Period Adjustments

Parent put \$1,200,000 into capital in July 2005

*DISCLOSE ON SCHEDULE A

		TXIX CHILD	TXIX CMDP	TXIX DD CHILD	NTXIX/XXI CHILD	TXXI CHILD	HB2003 CHILD	TXIX SMI	TXIX DD ADULT	NTXIX/XXI SMI	HIFA II SMI	TXXI ADULT	HB2003 SMI	TXIX GMHSA	HIFA II GMH	MENTAL HEALTH	SUBSTANCE ABUSE	PREVENTION INTERVENTION	PASRR	ADHS DOC	OTHER	SUB TOTAL	PROGRAM ADMIN & MGMT/GEN	TOTAL
REVENUES																								
401	Revenue Under ADHS Contract																							
a	ADHS Revenue	18,368,040	10,255,180	1,471,288	1,765,269	1,223,176	0	53,823,177	1,032,243	20,092,655	593,729	47,668	0	18,869,247	207,989	550,207	5,559,610	1,498,254	16,500	404,328	0	135,778,559	0	135,778,559
b	ADHS Revenue - Qualifying Incentive Payments																							0
402	Specialty & Other Grants*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
403	Client Fees (Co-pays)	0	0	0	0	0	0	722	0	821	0	0	0	8	0	34	13	0	0	0	0	1,598	0	1,598
404	Third Party Recoveries																							
a	Medicare	0	0	0	0	0	0	134,423	0	97,877	0	0	0	901	0	3,676	285	0	0	0	0	237,162	0	237,162
b	Other Insurance	0	0	0	0	0	0	8,289	0	8,358	0	0	0	0	0	517	69	0	0	0	0	17,234	0	17,234
405	Interest Income																					0	466,961	466,961
406	Other Funding Sources - Non ADHS*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	18,317	18,317	0	18,317
407	Unrelated Business Activities*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
408	TOTAL REVENUE	18,368,040	10,255,180	1,471,288	1,765,269	1,223,176	0	53,966,612	1,032,243	20,199,712	593,729	47,668	0	18,870,157	207,989	554,433	5,559,976	1,498,254	16,500	404,328	18,317	136,052,870	466,961	136,519,831
EXPENSES																								
Service Expenses:																								
501	Treatment Services																							
a	Counseling																							
1	Counseling, Individual	2,867,093	665,422	165,624	209,061	252,274	0	1,571,926	20,738	598,552	22,632	3,086	0	2,056,147	29,239	43,392	444,147	0	0	0	0	8,949,334	0	8,949,334
2	Counseling, Family	1,756,549	346,335	122,105	98,868	152,374	0	115,497	1,436	69,132	2,178	370	0	88,387	2,551	3,034	3,130	0	0	0	0	2,761,947	0	2,761,947
3	Counseling, Group	147,460	20,892	3,296	19,410	17,864	0	230,835	2,489	92,991	3,674	394	0	927,978	5,389	16,504	325,467	0	0	0	0	1,814,643	0	1,814,643
b	Consultation, Assessment & Specialized Testing	1,182,783	118,428	76,587	41,877	99,432	0	611,331	12,159	360,553	3,150	2,286	0	1,556,949	18,142	186,793	329,712	0	0	0	0	4,600,182	0	4,600,182
c	Other Professional	20,904	46	0	173,883	1,344	0	0	182	333,592	56	0	0	0	701	32,321	460,383	0	0	0	0	1,023,411	0	1,023,411
d	Total Treatment Services	5,974,799	1,151,123	367,612	543,099	523,287	0	2,529,590	37,005	1,454,821	31,690	6,136	0	4,629,461	56,022	282,045	1,562,839	0	0	0	0	19,149,517	0	19,149,517
502	Rehabilitation Services																							
a	Living Skills Training	913,226	279,023	90,249	29,767	47,812	0	1,677,510	26,103	569,540	8,493	446	0	131,348	1,588	2,723	3,972	0	0	0	0	3,781,801	0	3,781,801
b	Cognitive Rehabilitation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Health Promotion	12,949	3,063	5,319	1,011	817	0	90,103	1,372	31,359	731	0	0	25,634	6	388	1,734	0	0	0	0	173,575	0	173,575
d	Supported Employment Services	3,148	3,628	19	166	22	0	925,036	80,055	374,990	32,630	104	0	189,470	1,424	534	3,448	0	0	0	0	1,613,676	0	1,613,676
e	Total Rehabilitation Services	929,323	285,715	95,588	30,034	48,650	0	2,692,649	107,530	975,890	41,854	551	0	345,452	3,018	3,646	9,154	0	0	0	0	5,569,052	0	5,569,052
503	Medical Services																							
a	Medication Services	17	0	0	0	0	0	250,121	8,649	83,139	1,366	169	0	740,596	1,296	3,214	318,608	0	0	0	0	1,407,165	0	1,407,165
b	Medical Management	805,614	78,318	132,902	40,215	70,108	0	3,017,216	75,802	1,513,851	20,728	3,131	0	1,012,990	24,233	30,189	44,736	0	0	0	0	6,869,833	0	6,869,833
c	Laboratory, Radiology & Medical Imagin	17,529	1,961	1,975	836	1,366	0	136,440	4,007	82,995	929	163	0	64,011	705	2,680	8,250	0	0	0	0	323,827	0	323,827
d	Electro-Convulsive Therapy	6,322	0	0	0	0	0	40,651	0	43,129	0	0	0	5,567	0	0	0	0	0	0	0	95,669	0	95,669
e	Total Medical Services	829,483	80,279	134,877	41,051	71,474	0	3,444,427	88,459	1,722,905	23,023	3,463	0	1,823,164	26,233	36,062	371,594	0	0	0	0	8,696,494	0	8,696,494
504	Support Services																							
a	Case Management	36,630	4,691	1,917	3,524	614	0	16,005,357	199,056	7,298,875	237,681	8,941	0	1,673,292	37,365	492,449	142,243	0	0	0	0	26,142,633	0	26,142,633
b	Personal Assistance	437,573	152,647	325,057	35,510	18,051	0	2,462,491	51,347	648,286	2,197	4	0	211,228	52	0	43,934	0	0	0	0	4,388,376	0	4,388,376
c	Family Support	956,279	188,333	137,075	29,667	46,877	0	7,677	60	3,335	17	0	0	3,228	0	37	158	0	0	0	0	1,372,742	0	1,372,742
d	Peer Support	96,055	41,389	3,306	8,643	4,811	0	274,804	5,376	88,682	2,321	63	0	60,601	564	1,761	10,954	0	0	0	0	599,330	0	599,330
e	Therapeutic Foster Care Services	519,779	1,469,926	0	8,079	0	0	77,357	0	18,263	0	0	0	0	0	0	0	0	0	0	0	2,093,405	0	2,093,405
f	Respite Care	822,280	114,514	39,434	11,906	23,350	0	168	0	0	0	0	0	861	0	0	0	0	0	0	0	1,012,514	0	1,012,514
g	Housing Support	0	0	0	0	0	0	0	0	609,635	1,843	0	0	0	224	6,780	149,574	0	0	0	0	768,057	0	768,057
h	Interpreter Services	0	0	0	27,842	0	0	0	0	9,560	0	0	0	0	512	10,123	2,651	0	0	0	0	50,688	0	50,688
i	Flex Fund Services	0	0	0	181,523	0	0	0	0	311,844	0	0	0	0	0	8,418	62,926	0	0	0	0	564,711	0	564,711
j	Transportation	288,548	48,009	6,765	17,751	16,108	0	744,930	18,296	257,392	2,972	105	0	382,067	1,688	19,818	46,452	0	0	0	0	1,850,901	0	1,850,901
k	Block Purchase NTXX Consumer Drop In Cente	0	0	0	0	0	0	350,637	0	89,816	0	0	0	0	0	0	440,253	0	0	0	0	440,253	0	440,253
l	Total Support Services	3,157,143	2,019,510	513,553	324,445	109,810	0	19,923,420	274,135	9,335,489	247,030	9,113	0	2,331,278	40,405	539,386	458,893	0	0	0	0	39,283,610	0	39,283,610
505	Crisis Intervention Services																							
a	Crisis Intervention - Mobile	383,467	196,355	90,442	162,222	21,302	0	504,241	44,121	170,763	7,176	901	0	530,732	4,177	225,114	79,070	0	0	0	0	2,420,083	0	2,420,083
b	Crisis Services	72,456	8,313	8,018	7,731	6,553	0	318,139	8,285	106,813	1,224	471	0	535,009	2,827	126,165	220,756	0	0	0	0	1,422,763	0	1,422,763
c	Crisis Phones	2,144	0	90	189	36	0	810,425	10,043	373,620	0	403	0	89,871	0	26,706	7,144	0	0	0	0	1,320,672	0	1,320,672
d	Total Crisis Intervention Services	458,067	204,669	98,550	170,143	27,891	0	1,632,805	62,449	651,196	8,400	1,775	0	1,155,613	7,004	377,986	306,970	0	0	0	0	5,163,518	0	5,163,518
506	Inpatient Services																							
a	Hospital																							
1	Psychiatric (Provider Types 02 & 71	1,093,162	253,379	94,707	34,412	101,768	0	3,361,200	24,715	1,699,716	16,805	1,257	0	1,133,848	4,275	158,682	37,895	0	0	0	0	8,015,820	0	8,015,820
2	Detoxification (Provider Types 02 & 71	0	0	0	0	0	0	17,810	0	8,399	0	0	0	46,846	0	0	355	0	0	0	0	73,399	0	73,399
b	Sub acute Facility																							
1	Psychiatric (Provider Types B5 & B6	73,492	55,149	0	0	0	0	720	0	0	0	0	0	1,158	0	178	0	0	0	0	0	130,697	0	130,697
2	Detoxification (Provider Types B5 & B6)	0	0	0	0	0	0	30,126	0	8,415	0	0	0	335,836	968	4,261	238,393	0	0	0	0	617,998	0	617,998
c	Residential Treatment Center (RTC)																							
1	Psychiatric - Secure & Non-Secure Provider Types																							
78,B1,B2,B3)	2,071,436	1,213,058	0	42,557	52,150	0	553,450	3,677	288,367	3,091	0	0	0	150,075	456	29,009	3,856	0	0	0	0	4,411,182	0	4,411,182
2	Detoxification - Secure & Non-Secure																							

VO
STATEMENT OF ACTIVITIES
YEAR TO DATE AS OF:

September 30, 2005

*DISCLOSE ON SCHEDULE A

		TXIX CHILD	TXIX CMDP	TXIX DD CHILD	NTXIX/XXI CHILD	TXXI CHILD	HB2003 CHILD	TXIX SMI	TXIX DD ADULT	NTXIX/XXI SMI	HIFA II SMI	TXXI ADULT	HB2003 SMI	TXIX GMHSA	HIFA II GMH	MENTAL HEALTH	SUBSTANCE ABUSE	PREVENTION INTERVENTION	PASRR	ADHS DOC	OTHER	SUB TOTAL	PROGRAM ADMIN & MGMT/GEN	TOTAL
Administrative Expenses:																								
601	Salaries	439,948	245,628	35,241	42,340	29,296	0	1,289,196	24,725	481,292	14,220	1,142	0	451,965	4,981	13,179	133,173	35,889	426	9,685	0	3,252,326		3,252,326
602	Employee Benefits	88,754	49,552	7,109	8,542	5,910	0	260,079	4,988	97,095	2,869	230	0	91,178	1,005	2,659	26,866	7,240	86	1,954	0	656,116		656,116
603	Professional & Outside Services	78,448	43,799	6,284	7,550	5,224	0	229,880	4,409	85,821	2,536	204	0	80,591	888	2,350	23,746	6,399	76	1,727	0	579,932		579,932
604	Travel	9,484	5,295	760	913	632	0	27,792	533	10,375	307	25	0	9,743	107	284	2,871	774	9	209	0	70,112		70,112
605	Occupancy	25,891	14,455	2,074	2,492	1,724	0	75,871	1,455	28,325	837	67	0	26,599	293	776	7,837	2,112	25	570	0	191,403		191,403
606	Depreciation	90,308	50,420	7,234	8,691	6,014	0	264,632	5,075	98,794	2,919	234	0	92,774	1,023	2,705	27,336	7,367	87	1,988	0	667,601		667,601
607	All Other Operating*	545,215	304,400	43,673	52,471	36,306	0	1,597,666	30,642	596,451	17,623	1,415	0	560,107	6,173	16,333	165,037	44,476	528	12,002	0	4,030,518		4,030,518
608	Subtotal ADHS Administrative Expenses	1,278,048	713,549	102,375	122,999	85,105	0	3,745,117	71,827	1,398,152	41,309	3,316	0	1,312,957	14,471	38,286	386,867	104,256	1,238	28,135	0	9,448,008	0	9,448,008
650	Non ADHS Administrative Expenses*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	163,435	163,435
651	Unrelated Admin. Expense*																					0		0
652	Subtotal Administrative Expense	1,278,048	713,549	102,375	122,999	85,105	0	3,745,117	71,827	1,398,152	41,309	3,316	0	1,312,957	14,471	38,286	386,867	104,256	1,238	28,135	0	9,448,008	163,435	9,611,443
701	Unrelated Business Expenses*																					0		0
790	Income Tax Provisions																							
a	ADHS Income Tax Provision	(636,051)	1,217,973	(176,736)	85,391	(50,166)	0	2,237,619	(249,089)	(1,267,412)	19,561	2,814	0	(217,924)	(63,582)	(377,525)	352,348	51,713	0	(14,518)	0	914,414	0	914,414
b	Non ADHS Income Tax Provision	0	0	0	0	0	0	57,374	0	42,823	0	0	0	364	0	1,691	147	0	0	0	7,855	110,253	130,163	240,416
799	Subtotal Income Tax Provision	(636,051)	1,217,973	(176,736)	85,391	(50,166)	0	2,294,993	(249,089)	(1,224,590)	19,561	2,814	0	(217,560)	(63,582)	(375,835)	352,494	51,713	0	(14,518)	7,855	1,024,667	130,163	1,154,830
800	TOTAL EXPENSES	19,215,130	8,633,093	1,706,664	1,651,549	1,289,985	0	50,910,158	1,363,979	21,830,611	567,675	43,919	0	19,159,902	292,668	1,054,967	5,090,528	1,429,384	16,501	423,662	7,855	134,688,226	293,598	134,981,824
801	INC(DEC) IN NET ASSETS/EQUITY	(847,090)	1,622,087	(235,376)	113,720	(66,809)	0	3,056,454	(331,736)	(1,630,899)	26,054	3,749	0	(289,745)	(84,679)	(500,534)	469,448	68,870	(1)	(19,334)	10,462	1,364,644	173,363	1,538,007

*Disclose on Schedule A

	TXIX CHILD	TXIX CMDP	TXIX DD CHILD	NTXIX/XXI CHILD	TXXI CHILD	HB2003 CHILD	TXIX SMI	TXIX DD ADULT	NTXIX/XXI SMI	HIFA II SMI	TXXI ADULT	HB2003 SMI	TXIX GMHSA	HIFA II GMH	MENTAL HEALTH	SUBSTANCE ABUSE	PREVENTION INTERVENTION	PASRR	ADHS DOC	OTHER	SUB TOTAL	PROGRAM ADMIN/MGMT/ GEN	TOTAL
DISCLOSURE OF OTHER ADHS REVENUE																							
Total Other - Other Column																							
					</																		

TXIX CHILD	TXIX CMDP	TXIX DD CHILD	NTXIX/XXI CHILD	TXXI CHILD	HB2003 CHILD	TXIX SMI	TXIX DD ADULT	NTXIX/XXI SMI	HIFA II SMI	TXXI ADULT	HB2003 SMI	TXIX GMHSA	HIFA II GMH	MENTAL HEALTH	SUBSTANCE ABUSE	PREVENTION INTERVENTION	PASRR	ADHS DOC	OTHER	SUB TOTAL	PROGRAM ADMIN/MGMT/ GEN	TOTAL
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ADJUSTMENTS
(Disclose and describe any adjustments to previously submitted financial statements including those that affect the current financial statements)

Analysis:
(Compare prior quarter activity to current quarter activity for each column [program] and each row major category of service.)
Children's services shifted from support and crisis intervention services to treatment, medical, residential and inpatient services over the last quarter. This shift was most pronounced in the Title XIX Child and Title XIX DD Child categories for inpatient services which saw increases of greater than 900% in one quarter. While this change is striking, when looking back to previous quarters in SFY2005, it appears that the SFY2005 4th quarter numbers were uncharateristic. Some of the change is due to year-end claims processing and IBNR fluxuations because when looking back two quarters, total children's inpatient is approximately 10% lower than the current quarter.

Adult services mirrored the trend noted for children, except at a substantially lower amplitude. Medical services and support services increased, as did inpatient services while other services decreased. However, when compared with quarters prior to the fourth quarter of SFY2005, the variance between quarterly activity is much lower than with the fourth quarter.

Adult medication costs continue to increase due to higher penetration of consumers receiving medications services. Cost per script and number of scripts per consumer have remained fairly constant.

VO

STATEMENT OF CASH FLOWS

YEAR TO DATE FOR PERIOD ENDED:

September 30, 2005

CASH FLOWS FROM OPERATING ACTIVITIES:

Changes in Net Assets	1,538,000
Adjustments to Reconcile Excess of Revenue Over/(Under) Expenses to Net Cash Provided (Used) by Operating Activities:	
Depreciation and Amortization	446,908
Changes in Operating Assets and Liabilities	
(Increases)/Decreases in Assets:	
Current Investments	-
Receivables	(14,996,772)
Inventory & Prepaid Expenses	(1,089,662)
Interest Receivable	(109,173)
Deposits	(75,794)
Other	-
Increases/(Decreases) in Liabilities:	
IBNR	1,283,804
RBUC	478,190
Accounts Payable to ADHS	-
Accounts Payable to Providers	579,953
Interest Payable	-
Trade Accounts Payable	447,591
Accrued Salaries & Benefits	(770,273)
Other Current Liabilities	3,591,458

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<hr/> (8,675,771)
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CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from Sale of Property & Equipment	-
Purchases of Property & Equipment	(1,224,163)
Proceeds from Sales of Investments	-
Purchase of Investments	-

NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<hr/> (1,224,163)
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CASH FLOWS FROM FINANCING ACTIVITIES:

Acquisition of Debt (Describe on Schedule A)	706,000
Payment of Lease Obligations	-
Payment of Other Debts (Describe on Schedule A)	(400,000)

NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<hr/> 306,000
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NET INCREASE/(DECREASE) IN CASH	(9,593,934)
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BEGINNING CASH	<hr/> 58,607,281
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ENDING CASH BALANCE *	<hr/> <hr/> 49,013,347
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***NOTE: ENDING CASH BALANCE MUST AGREE WITH TOTAL CASH BALANCE ON BALANCE SHEET**

VO

STATEMENT OF CASH FLOWS

YEAR TO DATE FOR PERIOD ENDED:

September 30, 2005

Schedule A Disclosure

Describe:

1. Sources and amounts of cash received for other grants.

2. Underlying transactions for acquisition of debt.

(Debtor, amount, purpose of loan, term, interest rate of debt acquired during the quarter.)

Capital infusion from parent company

706,000

3. Underlying transactions for retirement of debt.

(Debtor, amount paid off.)

4. Cash Flows From Financing Activities - Payment of Other Debt

Dividends declared and paid

400,000

5. Supplemental data or non-cash investing and financing activities, gifts, etc.